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P.O. Box 131 Aguashicola, PA 180/2

March 7, 1994

Mr. Tom Voltaggio "3HW00" U. S. EPA - Region III 841 Chestnut Street Phila., PA 19107

Dear Mr. Voltaggio:

For your information, I am enclosing the packet that was mailed to all residences of Palmerton by Horsehead Industries, Inc. in the beginning of Feb. 1994.

This mailing by HRD, along with EPA's announcement that Superfund money will pay for the interim cleanup in Palmerton, and the announcement that negotiations between EPA and the PRP's has ended at impasse, have caused some concerns to PCCE.

HRD's letter of 9/27/93 to EPA asked for language in negotiations to allow HRD to sue the homeowners to recover costs of cleanup. The attached mailing asked for language to sue any homeowner who has cleanup and has filed suit against HRD.

If payment of the cleanup by EPA is cost-recoverable under CERCLA regulations, those letters reveal HRD's intent to sue to recover costs. With the failure of negotiations, as of this date there is NO language or agreement to protect Palmerton homeowners from future legal action if the homeowner participates in cleanup. This is alarming and places residents in the position of fearing participation because of legal intimidation by the PRP's.

Please address these concerns with PCCE and detail, if you can, the standing of participating homeowners with the absence of any negotiated language between HRD and EPA. Thank you for your prompt attention to this matter.

Sincerely,

Louise Calvin, PCCE

Political Action Chairman AR000020

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HORSEHEAD INDUSTRIES, INC.



401 DELAWARE AVENUE, PALMERTON, PA 18071

News Release

PALMERTON, PA. (February 10, 1994) — Horsehead Industries, Inc. ("HII") responded today to the United States Environmental Protection Agency ("EPA") Region III's recent press release pertaining to Palmerton by expressing extreme disappointment in what it believes is technically-flawed information which grossiy mischaracterizes the situation at the Palmerton Zinc Pile Superfund Site.

"We feel many of the EPA's stated conclusions are substantially incorrect and very misleading to the public. The technical base for a number of the EPA's conclusions were not supported by solid science," said Dr. David O. Carpenter, President of HII. "In one prime example, conclusions regarding the contamination caused by lead-based paint have ignored critical input, including opinions given to EPA by world renowned experts on lead-based paint contamination."

EPA is keeping its data SECRET FROM THE PUBLIC AND THE COMPANY by not releasing EPA's "NEIC" source identification report. Therefore, HII is once again forced to defend itself without the necessary information. Nevertheless, HII has identified several examples of critical technical and factual errors in the EPA press release.

LEAD BASED PAINT-

EPA's conclusion that the hazards of lead-based paint are not a contributor to home interior lead dust is based exclusively on the results obtained by the EPA using improper test equipment. Leading world lead-based paint experts, including Dr. Robert Bornschein, also an EPA consultant, who described EPA's results as "simply unbelievable", had previously alerted EPA to this error. For whatever reason, EPA has chosen to ignore this critical but obvious mistake.

Eighty-seven percent (87%) of Palmerton homes were built prior to the beginning of the phasing out of lead-based paint in 1970, while ninety-seven percent (97%) were built prior to the 1984 banning of lead-based paint. Moreover, EPA Region III stated in an October 1993 publication entitled <u>Protecting the Environment</u> that "Lead-based paint is likely to be in homes built before 1978." This is not surprising since the typical century-old home in the U.S. has 1/412 ton of lead on it in the form of lead-based paint. Despite these facts, EPA did not and it odd in reporting that for Palmerton only 16% and 22% of the interior and exterior paint respectively, tested positive for lead-based paint.

EPA admits, however, in its press release that its paint evaluation technique would only detect lead in the surface layer, which would obviously be the layer most recently painted with lead-free paint. Since lead in any layer of paint is a source of contamination, U.S. Department of Housing & Urban Development and National Institute of Standards protocols require all paint layers - not just the surface - to be measured. EPA's own press release states that "NEIC is still looking into the relative contribution of lead paint to lead contamination in Palmerton." Obviously, the Agency does not yet know what contribution lead-based paint makes to any Palmerton contamination.

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HISTORICAL SMELTING OPERATIONS -

EPA stated in its press release that "Horsehead Industries and Paramount Communications, both of which owned the zinc smelting plant at one time, are responsible for major portions of the residential contamination." EPA IS COMPLETELY INCORRECT WITH RESPECT TO HORSEHEAD. HORSEHEAD NEVER OWNED THE SMELTER. As EPA has been informed many times, zinc smelting in Palmerton ceased in 1980 when Paramount (Gulf + Western) permanently shut down the smelter.

PRESENCE OF "CHLORIDES" -

In its press release, EPA cites the presence of certain lead and zinc chloride particles in attic dust in Palmerton homes as the basis for linking contamination to current EAF dust recycling. Had EPA conducted even minimal historical research on this subject, it would have determined that a wide range of lead and zinc chloride compounds were used extensively throughout the history of Palmerton's smelter operation (pre-HII acquisition) prior to the installation of pollution control equipment. For example, during the 10 years that Gulf+Western operated the Palmerton Acid Sinter Plant before installing air pollution control equipment in 1957, approximately 70 tons per month of a chloride-bearing fume containing approximately 20% zinc, 12% cadmium and 20% lead was released to the Palmerton air. Furthermore, for many decades, the Gulf+ Western smelter operated commercial zinc chloride production facilities.

It is interesting to note, however, that EPA reported it found these "chloride compounds" only in attic dust, which is where one would expect to find these compounds that were used heavily by decades-old smelter operations (pre-HII acquisition).

INTERIM REMOVAL ACTION NEGOTIATIONS —

EPA stated in its press release that negotiations with HII for the interim clean-up action in Palmerton have failed. This statement is 100 percent false. HII has complied with every EPA information request, and consistently expressed its willingness to negotiate with EPA.

The main issue that HII and EPA have been unable to agree upon is EPA's demand that HII give up its legal rights to pursue a homeowner to recover any costs associated with the intended clean up action - including costs from contamination caused by lead-based paint. EPA's most recent letter to HII was dated December 8, 1993, to which HII responded both timely and specifically on December 17, 1993. HII has heard nothing from EPA in response to this most recent correspondence. (COPIES OF THESE LETTERS ARE ATTACHED TO THIS RELEASE.)

Therefore, EPA's characterization of negotiations with HII as having "failed" is incorrect, unless EPA has made this determination unilaterally and without informing HII.

It is unfortunate for the citizens of Palmerton that EPA has chosen to keep the data <u>secret</u> and to release only their interpretations of selected portions of preliminary results. HII will continue its attempt to obtain the source data, and to work towards a real understanding of any risk to enable the development of technically sound solutions to any properly defined risks.